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**ATTORNEYS FOR PLAINTIFF
UNITED STATES OF AMERICA**

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA
GREAT FALLS DIVISION**

UNITED STATES OF AMERICA,	CR 25- 18 -GF-BMM
Plaintiff,	
vs.	OFFER OF PROOF
HOLLIS GENE HALE,	
Defendant.	

PLEA AGREEMENT

The parties have entered into a plea agreement pursuant to Rule 11(c)(1)(A) and (B), *Federal Rules of Criminal Procedure*. The defendant agrees to plead guilty to Counts One and Two of the Information, to be responsible for complete restitution to the victims, if any, and to a conditional waiver of appellate rights. Count One charges a violation of the Endangered Species Act, in violation of 16 U.S.C. § 1538(a)(1)(G), 50 C.F.R. §§ 17.21(e), and 17.31(a). Count Two charges Lacey Act False Labeling in violation of 16 U.S.C. §§ 3372(d)(2) and 3373(d)(3)(B).

In exchange for the defendant's guilty plea, the United States agrees not to prosecute the defendant for any additional offenses known to it as of the acceptance of the agreement based upon evidence in its possession, and that arise out of the conduct giving rise to this investigation; to make certain recommendations as to the calculation of the defendant's guideline sentence; and to recommend a sentence at the low-end of the applicable guideline range.

The plea agreement represents, in the government's view, the final and most favorable offer extended to the defendant in this case. *See Missouri v. Frye*, 566 U.S. 134, 145-46 (2012).

PENALTIES

Violation of the Endangered Species Act, as charged in Count One, is a

Class B misdemeanor and carries a maximum punishment of six months of imprisonment, a fine of \$25,000 or twice the gross gain or loss, one year of supervised release, and a \$25 special assessment. Lacey Act False Labeling, as charged in Count Two, is a Class A misdemeanor and carries a maximum punishment of one year of imprisonment, a \$100,000 fine or twice the gross gain or loss, one year of supervised release, and a \$25 special assessment.

ELEMENTS

To prove the defendant guilty of violating the Endangered Species Act in violation of 16 U.S.C. § 1538(a)(1)(G), 50 C.F.R. §§ 17.21(e), and 17.31(a) as charged in Count One, the United States must prove the following elements beyond a reasonable doubt:

- First, the defendant knowingly delivered, received, carried, transported, or shipped wildlife;
- Second, the defendant did so in interstate commerce;
- Third, the defendant did so in the course of a commercial activity; and
- Fourth, the wildlife was listed as threatened under the Endangered Species Act.

To prove the defendant guilty of Lacey Act False Labeling in violation of 16 U.S.C. §§ 3372(d)(2) and 3373(d)(3)(B) as charged in Count Two, the United States must prove the following elements beyond a reasonable doubt:

- First, the defendant knowingly made or submitted a false record, account, label for, or identification of wildlife; and

- Second, the wildlife had been transported, or was intended to be transported, in interstate commerce.

ANTICIPATED EVIDENCE

If this case were tried in United States District Court, the United States would prove the following beyond a reasonable doubt:¹

Count One

On or about July 17, 2020, defendant Hollis Gene Hale and David James Dilley traveled from Texas to Arthur “Jack” Schubarth’s ranch in Vaughn, Montana, in order to provide sheep for artificial insemination and to complete the purchase of twelve hybrid Marco Polo argali sheep (*Ovis ammon polii*). The argali sheep that defendant Hale and David James Dilley purchased were listed as threatened under the Endangered Species Act. Defendant Hale and David James Dilley transported the argali sheep back to Texas, arriving on or about July 18, 2020.

Count Two

On or about July 17, 2020, defendant Hollis Gene Hale and David James Dilley made and submitted, and caused to be made and submitted, a Certificate of


¹ The United States notes that the statement of evidence in this offer of proof does not reflect all evidence that the United States possesses against the defendant, but only a summary sufficient to ensure the defendant’s guilty plea is provident. The United States reserves the right to present additional evidence against the defendant if this case were to proceed to trial.


Veterinary Inspection for the transport of forty-three sheep from Texas to Montana. The sheep that defendant Hale and David James Dilley transported into Montana were black Hawaiian and phantom sheep. Black Hawaiian sheep are a hybrid of European mouflon (*Ovis aries musimon*) and black-haired Barbados sheep, and phantom sheep are a hybrid of European mouflon and Transcaspian urial sheep (*Ovis aries vignei*). Mouflon, Transcaspian urial, and all hybrids thereof are prohibited in Montana. Defendant Hale and David James Dilley knew that the sheep were prohibited and discussed methods to avoid detection amongst themselves and with others. Knowing the species were prohibited in Montana, Defendant Hale and David James Dilley caused the forty-three sheep to be falsely identified as New Mexico Dahl sheep on the Certificate of Veterinary Inspection. The forty-three sheep were therefore transported into Montana under the guise that they were a legally permitted species of sheep.

CONCLUSION

The United States would have presented the above evidence through the testimony of law enforcement, lay, and expert witnesses, and through the introduction of various exhibits.

DATED this 23rd day of January 2025.

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